

Regulatory Policy Issues

Key Themes

} Inclusion

- } Indian telecommunications should be supported but not insulated from national services & technology trends
- } Promote access to larger economies of scale in the industry
- } Low-cost Internet access should to be part of the economic equation and business/educational stimulus

} Opportunity and Choice

- } No one solution or technology will serve all needs
- } Competition will produce solutions and reduce cost
- } Reduce regulatory barriers (i.e., no auction)
- } Real choices will allow Indians to leapfrog technology & cost barriers

Regulatory Policy Issues

Frequency Pairings

- } Offer unpaired frequencies
- } Avoid adjacent band coexistence issues (especially with FDD systems) similar to WCS
- } Offsets FDD dominance in 1 - 3 GHz bands
- } Promotes new technologies, enables differentiation among challengers
- } Fosters competition and innovation at all industry levels

Regulatory Policy Issues

Allocations below 3 GHz

- } Most desirable band for individual user access
 - } favorable propagation with respect to scattering, shadowing, building penetration
 - } attractive form factor: component size scales inversely with frequency
- } Spectrally efficient technologies are especially critical here
 - } typical spectrum allocations range between 5 - 30 MHz

Regulatory Policy Issues

Spectrum Licensing

- } 1-3 GHz band is preferred (the lower, the better), noting that:
 - } 3650-3700 (ET docket No. 98-237) is not the answer, due to coverage limitations
 - } 2110-2150 is part of the paired IMT-2000/UMTS spectrum, and will likely be paired with PCS bands
- } Free up 1 National and 1 large regional spectrum block (e.g., REAG per WCS rules)
- } Offer 10 MHz of spectrum per license

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Spectrum Licensing

- } No auction (no up front license fee), but require minimum service commitments from license holder to Indian communities
- } In the case of regional licenses, allow license holders to have preference (i.e., first right of refusal) on acquisition of license outside of Indian lands
- } Allow license holders any use of spectrum outside Indian lands

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Spectrum Licensing

- } Lottery, with technical/commercial prequalification
- } Tender, based on technical and commercial merit
- } Offer Indian participation in the adjudication of lottery application/tenders
- } Offer Indian participation in the license itself

Conclusions

Consistency with Chairman Kennard's Principles

- } Community
 - } promote affordable services for all citizens
- } Common Sense
 - } regulate only when necessary
 - } encourage spectral efficiency
- } Competition
 - } reduce entry barriers for new operators